

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **November 12, 2002**

AGENDA ITEM NO.: 21

CONSENT:

REGULAR: **X**

CLOSED SESSION:

ACTION: **X**

INFORMATION:

(Confidential)

ITEM TITLE: **Acquisition of Rock Tenn Parcel on Concord Turnpike**

RECOMMENDATION: Adopt a Resolution supporting the purchase of 2.9969 acres of real property including improvements, located on Concord Turnpike adjacent to the City's Wastewater Treatment Plant. Tax Map No. 107-06-003.

SUMMARY: A 2.9969 acre parcel of property including a 15,000 s.f. warehouse and small brick office located adjacent to the City's Wastewater Treatment Plant has become available. The property is currently owned by Rock-Tenn Real Estate, LLC. The City's Wastewater Treatment Plant currently has no room on site for any large future expansions that may be necessary as a result of regulatory or capacity issues. The property also may be used as a future location of the James River Interceptor, avoiding a large portion of the CSX right-of-way and the associated delays and costs. While a portion of the subject property could be utilized for future Wastewater Treatment Plant improvements, the existing structure could also potentially house Utility's field operations which includes water and sewer line maintenance and the Wastewater Treatment Plant maintenance staff. Currently field operations are located at the College Hill Water Filtration Plant where space is very limited and will be reduced further by the Sodium Hypochlorite project (Alternative Disinfection). Additionally, relocating field operations will enable Utilities to better secure the College Hill facility. The existing Wastewater Plant maintenance facilities are being evaluated along with the potential uses for the Rock Tenn facility. Rock Tenn is asking \$200,000 for the property, the current assessed value for the land and the improvements is \$378,800. An appraisal performed by the City Assessor's office valued the property at \$285,000. The environmental assessment report shows only minor issues, which are to be expected with an industrial property.

PRIOR ACTION(S): November 5, 2002 - Recommended by Physical Development Committee

BUDGET IMPACT: Realignment of prior appropriations (\$100,000 from Sewer Capital, \$100,000 from Water Capital.), operational and maintenance expenses for this property will be divided among Water and Sewer Line Maintenance and the Wastewater Treatment Plant operating budgets; total additional operating budget impact will be approximately \$50,000 annually. Additionally, the purchase of this property will result in a general reduction of tax revenue of approximately \$4,200 annually. Future improvements that would be necessary to relocate some operations to this facility and associated capital costs are currently being evaluated; a request for future capital funding will be made at a later date.

CONTACT (S): Tim Mitchell, Assistant Director of Utilities 847-1322
Stephen Bontrager, Director of Utilities 847-1322
Bruce McNabb, Director of Public Works 847-1362

ATTACHMENT (S): 1. Proposed Realignment of Appropriations.
2. Aerial photo of Rock Tenn property and the Wastewater Treatment Plant.
3. Resolution.

REVIEWED BY: lkp

RESOLUTION

A RESOLUTION APPROVING THE PURCHASE OF REAL PROPERTY.

BE IT RESOLVED That Council of the City of Lynchburg hereby approves the purchase of 2.9969 acres of real property, located on Concord Turnpike.

Adopted:

Certified:

Clerk of Council

231L

Proposed Appropriation Realignment

WATER CAPITAL

Project No.	Project Name	Remaining Funds	Realignment Amount
00001-W	10.5MG College Hill Water Storage Tank	\$183,457	\$100,000
4017-6100-2984-8100.0000			

SEWER CAPITAL

Project No.	Project Name	Remaining Funds	Realignment Amount
00069-S	6 th St. Sewer Line Replacement	\$18,522	\$18,522
4022-6305-4571-8100.0000			
99088-S	New Towne Subdivision	\$12,668	\$12,668
4022-6305-4544-8100.0000			
01073-S	Public Services Sewer Maint.	\$11,800	\$11,800
4022-6305-4612-8100.0000			
98080	Rivermont CSO Traffic	\$ 47,187	\$47,187
4022-6325-4493-8100.0000			
98045-S	CSO 11.2 Murrell Road	\$55,197	<u>\$ 9,823</u>
4022-6325-4481-8100.0000			
Total			\$100,000

Attachment 2 - Aerial View - Rock Tenn Property

